



IVANHOE
MINES

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US\$5.25 MILLION FINANCING TO ADVANCE DRILLING PROGRAM ON PORPHYRY GOLD AND COPPER DISCOVERY IN MONGOLIA

SINGAPORE – Ivanhoe Mines' Chairman Robert Friedland announced today that the company has closed a US\$5.25 million (CDN\$8.0 million) Special Warrants Financing. A portion of the proceeds will be used to fund Ivanhoe's drilling campaign that is currently delineating the recently discovered gold, copper and molybdenum mineralization at the Turquoise Hill (Oyu Tolgoi) Project in southern Mongolia.

"This financing is an acknowledgement of the significant exploration potential of the Turquoise Hill property, where we have begun drilling a total of approximately 16,000 metres to establish the extent of this discovery," Mr. Friedland said.

The financing consists of 5.25 million Special Warrants at a price of US\$1.00 (CDN\$1.53) each. Each Special Warrant entitles the holder to acquire one common share of Ivanhoe, at no additional cost, at any time until the close of business on the fifth business day after the earlier of (i) the date upon which the British Columbia and Ontario securities commissions issue receipts for the company's final prospectus; and (ii) August 15, 2002. If the British Columbia and Ontario securities commissions do not issue receipts for the prospectus by September 14, 2001, each Special Warrant will entitle the holder to acquire 1.1 common shares. Ivanhoe paid no fees or commissions in connection with this financing.

The Turquoise Hill licence area covers 238 square kilometres in southern Mongolia. The area is approximately 650 kilometres south of the capital city of Ulaanbaatar and 80 kilometres north of the Chinese border. The project is accessible by road from Ulaanbaatar. Based on a preliminary extrapolation of the drill results to date, including earlier BHP holes, Ivanhoe believes that the Turquoise Hill porphyry system has the potential to host in excess of one billion tonnes of copper, gold and molybdenum mineralization. The results of additional drilling at the project are expected to reveal with greater certainty the nature and extent of resources on the property.

Ivanhoe Mines holds a conditional option to acquire 100% of the Turquoise Hill Project from BHP-Billiton.

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FORWARD-LOOKING STATEMENTS: This news release contains certain forward-looking statements. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding potential mineralization, exploration results and future plans and objectives of

Ivanhoe Mines Ltd. (Ivanhoe), are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Ivanhoe's expectations are disclosed under the heading "Risk Factors" and elsewhere in Ivanhoe's documents filed from time to time with the Toronto Stock Exchange and other regulatory authorities. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and Ivanhoe does not undertake any obligation to update forward-looking statements should conditions or management's estimates or opinions change.